

**STATEMENT OF REP. EDWARD J. MARKEY
REGARDING THE FEDERAL INVESTMENT IN SUSTAINABLE HYDROPOWER ACT
February 7, 2002**

I am pleased to be here today with Rep. John Dingell and this broad coalition of citizen groups concerned with the health of our nation's rivers. We are all concerned with balancing the need for healthy rivers with the need for clean, affordable hydroelectric power. New England alone has 208 FERC-licensed projects on 78 rivers. 32 of these projects are on 10 Massachusetts rivers. These are some of the oldest dams in the country and many have already navigated the relicensing process from which we learned what is right and wrong with the process.

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Mr. Dingell and I have been wading into this issue for a long time. Back in 1986, we fostered unanimous bipartisan support for the Electric Consumers Protection Act or ECPA. Congress enacted ECPA then because it was concerned that FERC was not according sufficient weight to environmental and nonpower concerns as it reviewed requests for relicensing of hydroelectric facilities. 16 years later we can ask if these requirements have harmed the hydroelectric industry. The answer is no. The industry continues to represent one of the cheapest sources of electric power available.

Since the passage of ECPA, 465 dams have been removed from public waterways and 100 more dam removals are under consideration. When we breached the Edwards Dam in Maine, Atlantic salmon and sturgeon were able to swim up the Kennebec River again, following 160 years of interference with their natural migration. The FISH Act builds on this kind of success to protect river habitat, compensate states for federal dams or protect the rights of all stakeholders to information and participation in the licensing or relicensing of dam projects.

Currently, projects under the jurisdiction of FERC are not required to ensure that once the project reaches the end of its useful lifetime or should the owner decide to abandon it there are sufficient funds for reclamation of the impacted area. Once the river is caught, there is no guarantee it will be released. We require the owners of nuclear power plants to maintain a decommissioning fund to retire nuclear power plants at the end of their useful life. Why should we let the hydro industry off the hook? There is precious little river habitat left. We should reclaim what we can when we can. The FISH act requires the establishment of a decommissioning fund as part of licensing or re-licensing. Dam owners must provide an insurance mechanism so that when a dam is no longer necessary or abandoned there is money to secure or remove it, if feasible. Otherwise the US taxpayer will be left floating the bill.

The FISH Act also establishes a royalty for the use of public waters. Dams are built on public waterways and the industry is generating huge profits from the exploitation of these resources. In 2000, FERC collected only \$7.3 million from dams operating on federal lands. In the same year those projects generated approximately \$10 billion. That means those projects were charged a mere 0.07% of their revenues for the use of public lands and public rivers! Other energy industries that utilize federal resources pay royalties and the hydroelectric industry should not be the "one that got away." Hydropower must compensate the public for the use and diversion of their waterways. The act would levy a nominal fee of 1 mil per kilowatt hour of electricity generated, half of which would go to the state in which the project is located for fish and wildlife enhancement projects in that state.

Finally I wish to highlight the sunshine provision of the FISH Act. This is designed to part the murky waters of the projects' finances. The industry dismisses many environmental safeguards as uneconomic without providing FERC or the public with the information needed to determine how they reached these conclusions. To that end, the act requires that projects provide FERC with the same financial information that would be provided to potential investors in the project and that FERC make this information public.

The FISH Act would ensure environmental protection and public participation in the next considerations of dams on rivers like the Connecticut, Housatonic and Merrimack in Massachusetts and on countless other rivers across the nation. In short, environmental protection on our public rivers will no longer be just another fish story.